There being no objection, the material was ordered to be printed in the RECORD, as follows:

[From the New York Times, June 22, 2009]

STATES TURNING TO LAST RESORTS IN BUDGET CRISIS

(By Abby Goodnough)

In Hawaii, state employees are bracing for furloughs of three days a month over the next two years, the equivalent of a 14 percent pay cut. In Idaho, lawmakers reduced aid to public schools for the first time in recent memory, forcing pay cuts for teachers.

And in California, where a $24 billion deficit for the coming fiscal year is the nation's worst, Gov. Arnold Schwarzenegger has proposed releasing thousands of prisoners early and closing more than 200 state parks.

Meanwhile, Maine is adding a tax on candy, Wisconsin on oil companies, and Kentucky on alcohol and cellphone ring tones.

With state revenues in a free fall and the economy choked by the worst recession in 60 years, governors and legislatures are approving program cuts, layoffs and, to a smaller degree, tax increases that were previously unthinkable.

All but four states must have new budgets in place less than two weeks from now—by July 1, the start of their fiscal year. But most are already predicting shortfalls as tax collections shrink, unemployment rises and the stock market remains in turmoil.

''These are some of the worst numbers we have ever seen,'' said Scott D. Pattison, executive director of the National Association of State Budget Officers, adding that the federal stimulus money that began flowing this spring was the only thing preventing widespread paralysis, particularly in the areas of education and health care. ''If we didn't have those funds, I think we'd have an incredible number of states just really unsure of how they were going to get a new budget out.''

The states where the fiscal year does not end June 30 are Alabama, Michigan, New York and Texas.

Even with the stimulus funds, political leaders in at least 19 states are still struggling to negotiate budgets, which has incited more than the usual drama and spite. Governors and legislators of the same party are finding themselves at bitter odds: in Arizona, Gov. Jan Brewer, a Republican, sued the Republican-controlled Legislature earlier this month after it refused to send her its budget plan in hopes that she would run out of time to veto it.

In Illinois, the Democratic-led legislature is fighting a plan by Gov. Patrick J. Quinn, also a Democrat, to balance the new budget by raising income taxes. And in Massachusetts, Gov. Deval Patrick, a Democrat, has threatened to veto a 25 percent increase in the state sales tax that Democratic legislative leaders say is crucial to help close a $1.5 billion deficit in the new fiscal year.

''Legislators have never dealt with a recession as precipitous and rapid as this one,'' said Susan K. Urahn, managing director of the Pew Center on the States. ''They're faced with some of the toughest decisions legislators ever have to make, for both political and economic reasons, so it's not surprising that the environment has become very tense.''

In all, states will face a $121 billion budget gap in the coming fiscal year, according to a recent report by the National Conference of State Legislatures, compared with $102.4 billion for this fiscal year.

The recession has also proved politically damaging for a number of governors, not least Jon Corzine of New Jersey, whose Republican opponent in this year's race for governor has tried to make inroads by blaming the state's economic woes on him. Mr. Schwarzenegger, who sailed into office on a wave of popularity in 2003, will leave in 2011—barred by term limits from running again—under the cloud of the nation's worst budget crisis. And the bleak economy has played a major role in the waning popularity of Gov. David A. Paterson of New York.

Over all, personal income tax collections are down by about 6.6 percent compared with last year, according to a survey by Mr. Pattison's group and the National Governors Association. Sales tax collections are down by 3.2 percent, the survey found, and corporate income tax revenues by 15.2 percent. (Although New Jersey announced last week that a tax amnesty program had brought in an unexpected $400 million—a windfall that caused lawmakers to reconsider some of the deeper cuts in a $28.6 billion budget they were set to approve in advance of the July 1 deadline.)

As a result, governors have recommended increasing taxes and fees by some $24 billion for the coming fiscal year, the survey found. This is on top of more than $726 million they sought in new revenues this year.

The proposals include increases in personal income tax rates—Gov. Edward G. Rendell of Pennsylvania has proposed raising the state's income tax by more than 16 percent, to 3.57 percent from 3.07 percent, for three years—and tax increases on myriad consumer goods.

''They have done a fair amount of cutting and will probably do some more,'' said Ray Scheppach, executive director of the governors association. ''But as they look out over the next two or three years, they are also aware that when this federal money stops coming, there is going to be a cliff out there.''

Raising revenues is the surest way to ensure financial stability after the stimulus money disappears, Mr. Scheppach added, saying, ''You're better off to take all the heat at once and do it in one package that gets you through the next two, three or four years.''

While state general fund spending typically increases by about 6 percent a year, it is expected to decline by 2.2 percent for this fiscal year, Mr. Pattison said. The last year-to-year decline was in 1983, he said, on the heels of a national banking crisis.

The starkest crisis is playing out in California, where lawmakers are scrambling to close the $24 billion gap after voters rejected ballot measures last month that would have increased taxes, borrowed money and reapportioned state funds.

Democratic legislative leaders last week offered alternatives to Mr. Schwarzenegger's recommended cuts, including levying a 9.9 percent tax on oil extracted in the state and increasing the cigarette tax to $2.37 a pack, from 87 cents. But Mr. Schwarzenegger has vowed to veto any budget that includes new taxes, setting the stage for an ugly battle as the clock ticks toward the deadline.

''We still don't know how bad it will be,'' Ms. Urahn said. ''The story is yet to be told, because in the next couple of weeks we will see some of the states with the biggest gaps have to wrestle this thing to the ground and make the tough decisions they've all been dreading.''

In one preview, Gov. Tim Pawlenty of Minnesota, a Republican, said last week that he would unilaterally cut a total of $2.7 billion from nearly all government agencies and programs that get money from the state, after he and Democratic legislative leaders failed to agree on how to balance the budget.

In an example of the countless small but painful cuts taking place, Illinois announced last week that it would temporarily stop paying about $15 million a year for about 10,000 funerals for the poor. Oklahoma is cutting back hours at museums and historical sites, Washington is laying off thousands of teachers, and New Hampshire wants to sell 27 state parks.

Nor will the pain end this year, Ms. Urahn said, even if the recession ends, as some economists have predicted. Unemployment could keep climbing through 2010, she said, continuing to hurt tax collections and increasing the demand for Medicaid, one of states' most burdensome expenses.

''Stress on the Medicaid system tends to come later in a recession, and we have yet to see the depth of that,'' Ms. Urahn said. ''So you will see, for the next couple years at least, states really struggling with this.''

The ACTING PRESIDENT pro tempore. The Senator from Arizona is recognized.

HEALTH CARE

Mr. KYL. I wish to commend the Senator from Tennessee because he has been a leader in pointing out the problems that these new health care expenditures would impose upon our States. It is important to have the Governors of the States and the State legislators to begin to let Washington know what they think about these new costs that they are somehow going to have to bear.

Let me begin at the outset here, on the same subject, to make it clear that Republicans are very eager for serious health care reform, just as I think the American people are.

That is why we support new ideas that would actually cut health care costs and make all health care more affordable and accessible. Republicans want to reform our medical liability laws to curb frivolous lawsuits. We want to strengthen and expand wellness programs that encourage people to make healthy choices about smoking, diet, and exercising. All those have huge impacts on the cost of health care.

We also wish to address the needs of the unemployed, those who work for or own a small business, those with preexisting conditions, all of these we can address. And this can and must be done without imposing job-killing taxes and regulations. In short, we favor innovation, not just regulation.

Our Democratic friends would like to take a different route. Many of them would like to impose a one-size-fits-all Washington-run bureaucracy that we believe, ultimately, would lead to the kind of delay and denial of care we have heard about in Canada and Great Britain. I have spoken at length about the trouble with health care rationing, so today I would like to talk about the cost of a new Washington-run health care system.

The administration often argues that we need Washington-run health care to help the economy. Well, ''Washington bureaucracy'' and ''economic growth'' are not phrases that tend to have a positive correlation. Is it realistic to think that adding millions of people to a new government-run health insurance system will somehow save money or help the economy?

As the Wall Street Journal recently editorialized about the so-called plan:

In that kind of world, costs will climb even higher as far more people use ''free'' care and federal spending will reach epic levels.

One wag quipped: ''If you think health care is expensive now, just wait until it is free.''

In fact, the first estimate from the nonpartisan Congressional Budget Office shows that just a portion of the Democratic plan, covering only one-third of the uninsured, will cost over $1 trillion—$1 trillion to cover 16 million more people.

That is just for one part of the proposed plan. That works out to about over $66,000 per person.

The administration said last weak it wants to rework the plan to bring the cost down below $1 trillion. Well, that will help. They have not provided a specific number. But what I would like to know is: Do they consider anything below $1 trillion acceptable—$999 billion, $800 billion? What is acceptable here? Is it trying to get it down below $1 trillion so the sticker shock is not quite so great?

The American people are very worried about our increasing national debt. This only makes the problem worse, not better.

As the Republican leader mentioned in his radio address Saturday, the President used this same economic argument to sell the $1.3 trillion stimulus package: ''We have to move quickly to pass new government spending to help the economy.'' Four months later, unemployment has risen to 9.4 percent, much higher than the 8-percent peak the administration said it would be if we quickly passed the stimulus legislation. Now the administration is asking for billions more for a Washington-run health care plan.

As the New York Times noted last Friday, while the Democrats' bill outlines massive amounts of new spending, it does not explain how it intends to pay for it. That is an important detail. Congress would either have to run up more debt on top of the historic debt already produced by the President's budget and the stimulus bill, or it will have to raise taxes. That is one area in which our colleagues on the other side of the aisle have actually offered a lot of new ideas: Taxes on beer, soda, juice, and snack food, along with new limits on charitable contributions have all been proposed. But actually, they are a drop in the bucket relative to the amount of new taxes that would be required to fund their plan.

I would like to know: When will we draw the line and try something other than new taxes and massive new government spending to solve the problem?

Americans want health care reform, but most of them don't want to be saddled with mountains of new debt. As a June 21 New York Times article reported, a new survey shows—and I am quoting—''considerable unease about the impact of heightened government involvement on both the economy and the quality of respondents' own care.''

The American people are very worried that their own care, which they are generally satisfied with, will be negatively impacted as a result of the so-called ''reform'' that is being proposed. That same survey, which was an NBC New York Times survey, also showed that while 85 percent of Americans want serious reform, only 28 percent are confident that a new health care entitlement will improve the economy. So as the President is trying to sell this on the basis that we need it for the economy, only 28 percent of Americans believe that is the case. Frankly, I share their skepticism. It is going to hurt, not help.

We need to reform health care right. I think there is much more virtue in doing it correctly over doing it quickly. President Obama promised change, but there is nothing new about dramatically increasing government spending and adding even more to our national debt. I hope some of my friends on the Democratic side, as well as Republicans, can agree that when it comes to health care reform, we should embrace real changes that support medical innovation and put patients first. That is the answer. That is what the American people want.

Mr. President, I note the absence of a quorum.

The ACTING PRESIDENT pro tempore. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. DURBIN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. DURBIN. Mr. President, I ask unanimous consent to speak as in morning business.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

HEALTH CARE

Mr. DURBIN. Mr. President, the Senate is considering many issues now of great importance, but none more important to the American people than the future of health care in this great Nation.

This weekend, a new poll was released by the New York Times and CBS. Eighty-five percent of the people surveyed said the health care systems in America need fundamental change or to be completely rebuilt—85 percent. So people sense all across this country that though we have great hospitals and doctors, there is something fundamentally flawed with our system, and we can understand why. We are spending more money than any other country on Earth and we are not getting the medical results we want; and there is real uncertainty that average people won't be able to keep up with the costs of health insurance, the battles with health insurance companies over coverage, and whether at the end of the day they can have the quality health care every single person wants for themselves and their family.

They asked the American people which party they trusted to deal with health care reform, and 18 percent said they trusted the party on the other side of the aisle—the Republicans, while 57 percent trusted the Democratic majority. Even one out of every four Republicans said that the Democrats would do a better job in creating a better health care system.

People on this side of the aisle want a bill that works with the current system and fixes what is broken. We not only want to respond to the 85 percent of people who want change, we are listening to 77 percent of the people who say they are satisfied at this moment with the quality of their own care. So the starting point is if you have health insurance you like and it is good for your family, you can keep it. We are not going to change that. It is a tricky balance but one we have to address: how to preserve what is good but fix what is broken.

One of the foundations is the so-called public option. A lot of people don't know what that means, but it basically says there should be an option to private health insurance companies that is basically public in nature. We have a lot of public health now in America. Medicare is the obvious example. Forty million people count on Medicare to provide affordable, quality care in their elderly years and during their disabilities. The Medicaid Program is another one for the poor people in our society. We have veterans health care. There are ways that we involve the government in health care that have been proven to be successful—not just for years but for decades.

Many folks on the other side of the aisle come to the floor warning us about government involvement in health care. I have not heard a single one of them call for the end of Medicare or the end of veterans' care, not a one of them. We asked the American people: What do you think about a government health care plan as an option—a choice—for you so that you can choose from the well-known names in health insurance, private companies, but then you also have one other choice; you can pick the public plan, the public interest plan, the government plan. This poll taken by the New York Times and CBS found that there was broad bipartisan backing for a public option. Half of those who call themselves Republican say they would support a public plan, along with nearly three-quarters of Independents. This chart here shows the question: Would you favor or oppose the government offering everyone a government-administered health insurance plan such as Medicare that would compete with private health insurance plans? All respondents—72 percent—said they favored it. Only 20 percent were opposed.